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TAGS: [PGOV](#) [PREL](#) [PM](#)
SUBJECT: PANAMA: FM "VERY HAPPY" WITH PROGRESS ON PERSEUS V
CASE

Classified By: Ambassador Barbara J. Stephenson for reasons
1.4 (b) and (d)

FM "Very Happy" about Progress on Perseus V

¶1. (C) "I am very happy about the progress we are making resolving the Perseus V case," 1st VP and FM Samuel Lewis told the Ambassador and PolCouns on September 30. Lewis was referring to the case of the eight Panamanian sailors from the Perseus V now serving prison terms in the U.S. for drug smuggling. GOP officials had "ceded" jurisdiction over the ship, something that in standard U.S. practice means ceding jurisdiction over the ship, cargo and crew. However, ceding jurisdiction over Panamanian crew members contradicts the Salas-Becker Agreement (SBA) and Panama's constitution. This case has put the GOP under domestic political pressure for its cooperation with the USG in implementing the Salas-Becker Agreement (SBA) on maritime counter-drug cooperation. Lewis said he appreciated the September 12 visit of Brad Keiserman, NSC Director of Maritime Threat Reduction and U.S. Coast Guard (USCG) Chief of the Operations Law Group, to meet with MFA officials, convey official U.S. regret over the action, and propose new standard operating procedures (SOP) to avoid such problems in the future. He said he was particularly pleased that the GOP had the opportunity to present these new SOPs at the recent USCG conference in Key West.

Prisoner Exchange Key to Perseus Resolution

¶2. (C) Lewis also specifically expressed his appreciation for the USCG efforts to facilitate the travel of an MFA delegation to the U.S. to visit the prisoners in various Federal prisons. The MFA is trying to convince the prisoners to request transfer to Panama to serve out their terms, under bilateral or multilateral prisoner exchange agreements. MFA Senior Advisor Adolfo Ahumada said the MFA expected a "significant number" of the prisoners would accept transfer to Panama (Note: Only two of the eight have so far indicated interest in transfer. End Note). But he agreed to take a fresh look at the issue once Salas-Becker is healthy and no longer the subject of controversy. He asked, though, that we work the issue from the top (i.e. through him) down.

SBA Becomes a Political Football

13. (S//NF) Lewis told the Ambassador that opposition deputies had been calling on him to testify before the National Assembly on the Perseus V case, and the Salas-Becker Agreement in general. He said they were hoping to weaken the government by challenging its nationalist credentials. Lewis noted that the governing Revolutionary Democratic Party (PRD) majority in the National Assembly had blocked these requests, that occur weekly. Pressed by the Ambassador on the operational advantages of using U.S. Navy (USN) ships (i.e. "grey hulls") with USCG Law Enforcement Detachments (LEDETS) in Panamanian waters, Lewis said that given the current political environment, it would not be possible to consider such an expansion of the U.S. military presence in Panama (Note: Under SBA, only USCG ships (i.e. "white hulls") may operate in Panamanian waters, under the control of Panamanian officers. USN vessels are specifically prohibited from participating in this program, unless requested by the GOP. End Note).

Comment

14. (C) Lewis's excellent mood and optimism on the Perseus V case and SBA in general indicate we are headed in the right direction. Post hopes that regardless of whether or not the Panamanians request transfer, the USG's openness and full cooperation on this issue will help put the Perseus V case behind us. Even if this is true, however, the environment for the SBA is still politically sensitive. The USG cannot afford any further troubles with SBA related cases, nor is it the time to try to push the envelope by attempting to secure approval for grey hulls with LEDETS embarked. On the issue of the use of USN assets in Panamanian waters, Post understands that there are limited USCG assets to meet all maritime patrol needs, but our broader strategic assets are not served by pushing this issue right now. Post was encouraged by Lewis' willingness to consider the use of USN assets in theory, and Post will take the issue up again in the future, when the political situation is more conducive to host country acceptance. The initiative to expand SBA cooperation to grey hulls must come from the top once Panama's political leadership is prepared and should not emanate from operational tensions originating at lower levels.
STEPHENSON